

106TH CONGRESS
2D SESSION

S. 2717

To amend the Internal Revenue Code of 1986 to gradually increase the estate tax deduction for family-owned business interests.

IN THE SENATE OF THE UNITED STATES

JUNE 13, 2000

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to gradually increase the estate tax deduction for family-owned business interests.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. GRADUAL INCREASE IN ESTATE TAX DEDUC-**
4 **TION FOR FAMILY-OWNED BUSINESS INTER-**
5 **ESTS.**

6 (a) INCREASE IN DOLLAR LIMITATION.—

7 (1) IN GENERAL.—Section 2057(a)(2) of the
8 Internal Revenue Code of 1986 (relating to max-
9 imum deduction) is amended by striking “\$675,000”
10 and inserting “the applicable amount”.

1 (2) APPLICABLE AMOUNT.—Section 2057(a) of
 2 such Code is amended by adding at the end the fol-
 3 lowing:

4 “(4) APPLICABLE AMOUNT.—For purposes of
 5 this subsection, the applicable amount shall be deter-
 6 mined under the following table:

**“In the case of estates of de- The applicable amount is—
 cedents dying after—**

December 31, 2001	\$2,375,000
December 31, 2003	\$3,375,000
December 31, 2004	\$4,375,000
December 31, 2006	\$5,375,000.”

7 (3) CONFORMING AMENDMENTS.—Section
 8 2057(a)(3)(B) of such Code (relating to coordination
 9 with unified credit) is amended—

10 (A) by striking “\$675,000” both places it
 11 appears and inserting “the applicable amount”,
 12 and

13 (B) by striking “\$675,000” in the heading
 14 and inserting “APPLICABLE AMOUNT”.

15 (4) EFFECTIVE DATE.—The amendments made
 16 by this subsection shall apply to estates of decedents
 17 dying after December 31, 2000.

18 (b) REMOVAL OF DOLLAR LIMITATION.—

19 (1) IN GENERAL.—Section 2057(a) of the In-
 20 ternal Revenue Code of 1986 (relating to deduction
 21 for family-owned business interests), as amended by
 22 subsection (a), is amended—

1 (A) by striking paragraphs (2), (3), and
2 (4), and

3 (B) by striking “GENERAL RULE.—” and
4 all that follows through “For purposes” and in-
5 serting “ALLOWANCE OF DEDUCTION.—For
6 purposes”.

7 (2) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to estates of decedents
9 dying after December 31, 2007.

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